The Roadmap Evaluation and Development Strategy of SME's Thematic

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ABSTRACT
The purpose of this research is to evaluate the Roadmap for the implementation of the Thematic SMI development program which has been ongoing from 2017 to 2021. From the results of this evaluation, a SWOT analysis was carried out to obtain a strategic model for the Thematic SMI development in the City of Central Sulawesi Province, Indonesia. This study obtained data through questionnaires, interviews, observations, literature studies and documentation. Data analysis using inferential statistics and SWOT analysis. Research respondents to owners or managers in 37 Thematic SMIs. The results showed that the evaluation of the IKM Roadmap in Palu City, namely strengthening human resources, strengthening IKM, developing IKM and massive production in the good category, while the stage of strengthening production in the category was quite good. The IKM Development Strategy in Palu City (Central Sulawesi) is the ST strategy (Diversification Strategy) and the SO strategy (Aggressive Strategy).

Keywords: Evaluation, SME and Strategy

1. INTRODUCTION

Economic development in Indonesia is mandated in the National Long-Term Development Plan 2005-2023, which is a gradual development towards an economy with competitive advantage through economic transformation based on the comparative advantage of natural resources (SDA) which are abundant in each region. Efforts to realize economic development in the area require an inventory/identification of the potential of the region as the basis for the policy direction of the development pattern. This step is carried out through the identification of potential, mainstay and superior products in each sub-sector in the region. These superior products describe the region's ability to produce products, create value, make real use of resources, provide employment opportunities, generate income for the community and government, and have prospects for increasing productivity and investment [1,2,3]. Palu city as the city government in Central Sulawesi since the year 2017 has provided financial and non financial support to SMEs who conduct management based on potential areas. While data information obtained from the Central Statistics Agency of Palu City, 2020 shows that Small and Medium Industries are increasing in number from year to year, but the production, marketing, and management processes cannot take place continuously (unsustainably). This hinders the development of the industry and also in providing market opportunities or cooperation between cross-sectoral and inter Small and Medium Industries (SMI) with Large Industry [4,5,6]. In addition, although the processing industry increases

every year it is not followed by the growth rate of the processing industry (GRDP, BPS 2020). For that it is necessary to evaluate the Roadmap (on stage pengutan human resources, strengthening of SMEs, strengthening the production, development and production Massive IKM) on SME Thematic program in Palu in order to encourage local economic development by utilizing the existing potential and to create jobs.

2. LITERATURE REVIEW

2.1 Small and Medium Industries (SMI)

Small and Medium Industries (SMI) is an industry that has a small and medium scale industries. According to the Ministry of Industry Regulation No. 64 of 2016, small industry is an industry that has a maximum of 19 employees, has an investment value of less than 1 billion rupiah, excluding land and buildings for business premises. Meanwhile, what is meant by medium industry is an industry that has a maximum of 19 employees and a minimum investment value of 1 billion rupiah or has a minimum of 20 employees and a maximum investment value of 15 billion rupiah.

Government Regulation of the Republic of Indonesia Number 29 of 2018 concerning Industrial Empowerment, states that Industrial Empowerment is a planned, directed, and measurable policy and effort of the Central Government and Regional Governments to enable and empower Industry players in a participatory manner to increase competitiveness. Empowerment efforts are carried out with a mentoring model, namely supervision

activities to help improve the technical and managerial capabilities of IKM companies which are carried out continuously within a certain period of time. This is stated in Article 3 paragraph 1 which states that the Central Government and/or Regional Governments carry out the development and empowerment of SMEs to realize SMEs that: a. competitive; b. play a significant role in strengthening the national Industrial structure; c. play a role in poverty alleviation through the expansion of job opportunities; and D. produce Industrial Goods and/or Services for export.

2.2 Business Success And SMEs Raodmap

The measure of a company's business success can be seen from various aspects, such as financial performance and company image. According to [7] Entrepreneurs who have superior decision-making abilities will be able to improve business performance such as increasing profits and business growth. According to [8] said that a business is said to be successful in its business if after a certain period of time the business has increased both in capital, business scale, results or profits, type of business or management.

Suggests that "Business success is defined as the level of achievement of organizational goals or results" [9]. Furthermore, [10] explained in their research that it was revealed that technological advances will improve business performance. An interesting finding that crime and corruption affect business performance. Competition is the only factor among the internal and external factors studied that reveal a significant relationship with the performance of SMEs [11]. SMEs need to realize that they must prepare for domestic and international competition. Collaboration between SMEs can be a way for SMEs to face competition [12].

Based on the explanation above, the success of the Thematic SMEs efforts in each kelurahan, as well as the Roadmap in the city government mission, the success steps can be measured as follows:
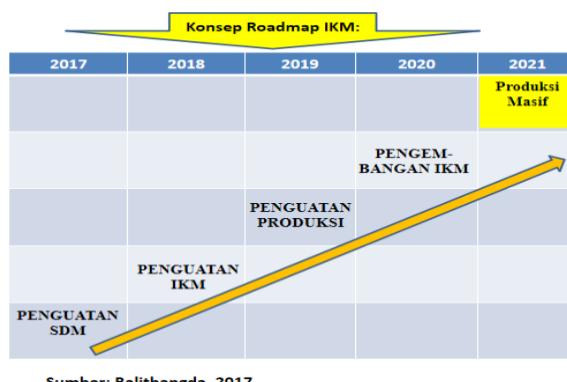

Figure 1 The concept of SME Thematic Sub Innovation Roadmap

Based on Figure 1 above, it can be explained that the target of the first year, 2017, SME Thematic directed at pengauatan HR through the method of assistance directly at the place where they produce at solving together the

obstacles encountered and send the chairman and some members for internships in Java , according to the interests of the group; The second year in 2018, entered the stage of strengthening SMEs through support equipment and training on how to use the tool remains that in the production; the third year of 2019 is the strengthening of production, what is meant is that IKMs begin to be oriented towards production both in quantity and quality, and in the fourth year of 2020, SMEs begin to develop markets, oriented to product quantity and quality, prices, distribution channels, and promotions; and in the fifth year of 2021, it is hoped that Thematic SMIs have succeeded in massive production, and are independent and bankable. Thus the stages this is assessed by the city government as an indicator of business success of the SME-Thematic.

2.3 SME Development Strategy

SME development strategy through a SWOT analysis is a systematic identification of factors to formulate strategies for the government policy. The view of [13] in determining the right strategy through SWOT analysis is based on the assumption that an effective strategy is derived from the "fit" between the company's internal resources (strengths and weaknesses) and its external situation (opportunities and threats). SWOT analysis can be applied to for-profit and non-profit oriented organizations. Companies that are able to compete and determine the goals of business ventures and identify favorable and unfavorable internal and external factors to achieve organizational goals [14]. In detail considers SWOT analysis as "a combined analysis of external and internal problems that affect organizational performance [15]; And [16] believes that it is "an analysis of strengths and weaknesses that are present internally in the organization, coupled with Opportunities and Threats faced by the organization externally". Thus, a significant relationship was found between determining strategy using SWOT analysis to achieve organizational goals [17,18,19].

3. RESEARCH METHODS

The basic method used in the activity uses survey and descriptive methods [20]. In this activity the Small and Medium Enterprise (SME) become the object of activity. The stages of this activity begin with data collection, data input, data analysis and interpretation of data sourced from primary and secondary data.

Data collection techniques through observation (direct observation), interviews, questionnaires; Libraries and Documentation on 37 SMIs. The location of the activity was carried out in Palu City, Central Sulawesi Province, Indonesia, namely in the innovation village of Palu City. There are 9 innovation villages in the village. These are Tatanga Village, Kabonena Village, Tawanjuka Village, Baiya Village, Tawaili Village, Pantoloan Village, Mamboro Village, Matikolore Village, and Poboya Village. To achieve the research

objectives using data analysis with inferential statistics and SWOT analysis.

A business is said to be successful in its business if after a certain period of time the business has increased both in capital, business scale, results or profits, type of business or management. Regarding the success of the Thematic SME efforts, the researcher refers to the Thematic IKM Roadmap which has been targeted by the government. The success of the IKM business is measured by the stages of the roadmap, namely: Strengthening Human Resources, strengthening SME institutions, strengthening production, developing production and markets, as well as massive production (independent and bankable).

Questionnaire using a Likert scale, the scale of research used to measure the attitudes and opinions of respondents to the roadmap stages of implementing the program for SMEs. With this Likert scale, respondents are asked to complete a questionnaire that requires them to indicate their level of agreement with a series of questions. The questions or statements used in this study are usually referred to as research variables and are specifically determined by the researcher [15]. Data analysis was carried out descriptively, from the results of frequency tabulation of data (inferential statistical analysis) and continued with SWOT analysis to determine the strategy model.

4. RESEARCH RESULTS AND DISCUSSION

Thematic SMEs are SMEs become mayor priority program area in 2017 till 2021 period focused on the development of superior results in urban areas of innovation in Palu, Indonesia. One that develop SME is to favor results superior product [21,22,23] is believed to be able to increase the income of the people [24,25,26,27,28] and increase job opportunities[29,30] .

4.1 Evaluation Based On SME'S Respondents Responses To The Roadmap Position

Based on research conducted in which the information obtained roadmap SME program activities carried out during 5 years, respondents indicate the real conditions of the development of SMEs. Description analysis is done by calculating the mean (mean). Based on the Likers scale. Overview respondents' perceptions of statements made in the research instrument at the research variables Strengthening Human Resources (HR) IKM; IKM Institutional Reinforcement; Retribution on Production; Development of SMEs (4th year 2020); and Massive Production (5th Year 2021). IKM Performance Achievements based on the IKM Roadmap illustrates Business Success. A business is said to be successful in its business if after a certain period of time the business has increased both in capital, business scale, results or profits, type of business or management. Associated with the success of the SME Thematic researchers refer SME

Thematic Roadmap that has been targeted by the government. The success of the SME business is measured by the stages of the roadmap, namely: Strengthening Human Resources, strengthening SME institutions, strengthening production, developing production and markets, as well as massive production (independent and bankable). Based on the evaluation through the results of the respondent's answer statements (SME) on each of the "SME ROADMAP " above, it can be presented in the form of a recapitulation of variables as follows :

TABLE 1. Mapping Of Variable Recapitulation

Number	Road Map Variable	Average Value	Categories
1.	HR Strengthening	4,4	Well
2.	Strengthening SMEs	4,2	Well
3.	Production Strengthening	3,9	quite Good
4.	SME Development	4,2	Well
5.	Massive Production	4,2	Well

4.2 SME Development Strategy

SME development strategy through SWOT analysis, through these stages are as follows: The first stage is by identifying Internal and External factors and calculating IFAS and EFAS, namely the results of the identification of internal factors and external factors, given a weight and multiplied by the importance rating of each indicator. The second stage, calculates and determines the position map of IFAS and EFAS. The third stage, creates and calculates the IFAS and EFAS matrices, showing the results. The most dominant strategy is applied to accelerate poverty reduction in Palu City. The fourth stage, positioning the SO strategy map, WO, ST and WT in quadrants I, II, III and IV. The last stage (fifth stage), formulating the SME development strategy based on the results of the SWOT analysis in the form of a matrix. From this series of steps, the results of the calculations and the matrix as well as the position map of each IFAS and EFAS matrix factors are obtained as follows :

TABLE 2. Matrix IFAS And EFAS SME Development Strategy

IFAS \ EFAS	Strengths (S)				Weaknesses (W)			
Opportunities (O)	Strategi (SO)				Strategi (WO)			
	2,56	+	1,59	= **4,16**	1,73	+	1,59	= **3,32**
Threats (T)	Strategi (ST)				Strategi (WT)			
	2,56	+	1,71	= **4,27**	1,73	+	1,71	= **3,44**

Table 3 shows that the IKM Development Strategy in Palu City is in the ST Strategy with a value of 4.27 and the SO strategy with a value of 4.41. Where these conditions have great power to minimize the threat is going to happen and take advantage of potential opportunities of existing resources in the city of Palu, through a variety of activities that are prioritized in developing SMEs in Palu. Based on a series of SWOT analysis, the strategies carried out are based on priorities, namely ST strategy (Diversification Strategy), then SO strategy (Aggressive Strategy), WT strategy (Defensive Strategy) and WO strategy (Turn Around Strategy).

The Main Strategy is the ST strategy (Diversification Strategy) and SO strategy (Aggressive Strategy) which makes the IKM development strategy, through:
1. Improving human resources to take advantage of program opportunities and activities available in the related OPD
2. Improving the capacity of human resources through the commitment and synergy of related OPDs
3. Increase production through quantity and quality by utilizing banking facilities
4. Increase production both in quality and quantity by utilizing budget-based program and activity support from the government
5. Improving HR through marketing and partnering skills
6. Increasing the strength of SMEs from the financial aspect in order to be able to take advantage of banking facilities in increasing their business.

5. CONCLUSION

1. Evaluation of the variable position map from the SME RoadMap in Palu City, which consists of the stages of strengthening human resources, strengthening IKM, strengthening production, developing SME and massive production. The response from the existing SMEs positioned the stages of strengthening human resources, strengthening SME, developing IKM and massive production in the good category, while the stages of strengthening production in the category were quite good.
2. The IKM Development Strategy in Palu City (Central Sulawesi) is the ST strategy (Diversification Strategy) and the SO (Aggressive Strategy) strategy is the main strategy.

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